PGCIL/R/2019/50407

दिनांक: 15 October, 2019

Shri Abhimanyu Sehgal,
A-47 Shivaji Vihar, NEW DELHI, Pin:110027

विषय: सूचना का अधिकार अधिनियम, 2005 के तहत जानकारी।

महोदय / महोदया,

कृपया आर.टी.आई. अधिनियम, 2005 के तहत दिनांक 16 September, 2019 को प्रेषित अपने आर.टी.आई. अनुरोध का संदर्भ लें।

उपरोक्त पत्र में वाचित्त जानकारी अनुस्पर्श-1 में संलग्न है।

यदि आप केंद्रीय लोक सूचना अधिकारी के उत्तर से संतुष्ट न हो तो, केंद्रीय लोक सूचना अधिकारी के उत्तर की प्राप्ति के 30 दिनों के भीतर पहले अपील प्राधिकारी के सम्मुख अपील की जा सकती है। आर.टी.आई. अधिनियम, 2005 के तहत केंद्रीय कार्यालय, गुडगांव में अपील प्राधिकारी का विधेयक निम्नानुसार है:

भी संजीव सिंह,
कार्यालय निदेशक (भी एम जी) एवं अपील प्राधिकारी
केंद्रीय कार्यालय, पावर ग्रिड कॉरपोरेशन ऑफ इण्डिया लिमिटेड,
"सौदामिनी", प्लाट नंबर-2, सेक्टर-29, गुडगांव-122001, हरियाणा।
ईमेल आईडी: sanjeev@powergridindia.com
फोन नंबर: 0124-2571962

धन्यवाद,

(जसबीर सिंह)
वरिष्ठ महाप्रबंधक (के. आ.) व के. लो. सू. अधिकारी
Email id: cpio.cc@powergrid.co.in
Sub.: Reply of RTI Request received from Shri Abhimanyu Sehgal.

(A) (1) Copy of Order No.25-11/9/2017/PG dated 23rd August, 2018 issued by Ministry of Power – Attached as A (1).

A (2) Copy of Order No. 20/6/2017-Coord. dated 22nd November, 2018 issued by Ministry of Power – Attached as A(2).

A (3) Copy of Order No. 20/6/2017- Coord. dated 11th July, 2019 issued by of Ministry of Power – Attached as A(3).

(B) Copy of Resolution by way of circulation dated 23.08.2018 - Attached as B.

(C) Copy of Resolution by way of circulation dated 18.09.2018 - Attached as C.

(D) Copy of Resolution by way of circulation dated 22.11.2018 Attached as D.

(E) Copy Resolution by way of circulation dated 11.07.2019 Attached as E.

(F) Copy of notice dated 19.07.2019 Attached as F.

(G) Issued ICICI Bank Cheque No.000131 dated 19.07.2019). Cheque was encashed and credited to POWERGRID’s Account on 2nd August,2019 (M3198065). Amount was refunded on 11th September,2019 [UTR No. SBIN119254933924] - Attachment as (G)(a)&(b)

(H) Yes, the amount received had been deposited in Power Grid Corporation of India Limited (POWERGRID)’s Account on 2nd August,2019.

(I) Copy of declaration of Shri Jagdish Ishwarbhai Patel (DIN: 02291361) and Shri M.N. Venkatesan (DIN: 02126022) - Attached as I.

(J) Copy of Order conveying approval of Hon’ble President of India for appointment of (i) Shri Jagdish Ishwarbhai Patel and (ii) Shri M. N. Venkatesan – See Attachment No. A2 & A3.

(K) Board Resolution for approval of Notice of 30th AGM of POWERGRID - Attached as K.

(L) Exempt to Govt. Company - Attached as L.

(M) Exempt to Govt. Company - Attached as M.

(N) Copy of 31A from Article of Association of POWERGRID - Attached as N.
ORDER

In pursuance of Article 31 of the Articles of Association of Power Grid Corporation of India Limited (PGCIL), the President is pleased to appoint Shri Rajeev Kumar Chahtan, Executive Director, Power Grid Corporation of India Limited (PGCIL) to the post of Director (Projects). POWERGRID shall be issued in the scale of pay of Rs. 75,000 - 1,00,000/- (pre-revised) w.e.f. the date of his assumption of charge of the post till the date of his superannuation, or until further orders whichever is earlier.

The terms and conditions regulating the appointment of Shri Rajeev Kumar Chahtan, as Director (Projects), POWERGRID shall be issued separately after the receipt of the charge assumption report.

To,

1. Shri Rajeev Kumar Chahtan, Executive Director, PGCIL, Sadaamiri, Plot No. 2, Sec-29, Gurgaon-122001.
2. The Chairman & Managing Director, PGCIL, Sadaamiri, Plot No. 2, Sec-29, Gurgaon-122001.
3. The DoP&T, Office of the Establishment Officer, North Block, New Delhi, P.S. ARI, Shastri Bagh, Under Secretary, w.r.t. DcP&T’s, communication No. 20(2)/2016, GO(ACC) dated 21.08.2016.
4. The Secretary, PESB, Public Enterprises Bhawan, CGO Complex, Lodi Road, New Delhi.
5. The Secretary, Department of Public Enterprises, CGO Complex, Lodi Road, New Delhi.
6. The Chairman, CEO, Seva Bhawan, R.K. Puram, New Delhi.
7. All Directors on the Board of Directors of PGCIL, Sadaamiri, Plot No. 2, Sec-29, Gurgaon-122001.
8. The Company Secretary, PGCIL, Sadaamiri, Plot No. 2, Sec-29, Gurgaon-122001.
9. All Public Undertakings/ Autonomous Bodies under the MoP.
10. All Offices/Sections/Units of MoP.

Copy to: PS to MoSP/IC/YPSS to Secretary (P)/PPS to AS/NS/PPS to SRA/EA PS to Director (Trans.), Ministry of Power.

Under Secretary to the Government of India
No. 20/6/2017-Coord.
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg
New Delhi, the 22nd November, 2018

ORDER

In exercise of the powers conferred under the Article 31 of the Articles of Association of the PGCIL Limited, the President is pleased to reappoint (i) Shri Jagdishbhai Ishwarbhai Patel as Non-Official Independent Director on the Board of PGCIL for a period of one year with effect from the date of completion of their existing tenure, or until further orders, whichever is earlier.

2. The reappointment of (i) Shri Jagdishbhai Ishwarbhai Patel as Non-Official Independent Director shall be at the pleasure of the President and subject to such terms and conditions as may be deemed fit by the President of India from time to time, in accordance with the Articles of Association of PGCIL.

3. The payment of TA/DA and sitting fees to the above mentioned official as Non-Official Independent Director for attending meeting of the Board of PGCIL shall be in accordance with the instructions on the subject issued by the Department of Public Enterprises from time to time.

(P. B. S. Dinker)
Under Secretary to the Government of India
Telefax: 23752495

To

1. Shri Jagdish Ishwarbhai Patel, B-6, Vrundavan Park Society, Nr. Swaminarayan Temple, Viratnagar Road, Odhav, Ahmedabad-382415, Gujarat.
2. CMD, PGCIL
3. All Directors on the Board of PGCIL
4. Office of Establishment Officer, Department of Personnel and Training, North Block, New Delhi (w.r.t. letter No 22/15/2018-EO(ACC) dated 16.11.2018)
5. Joint Secretary, Department of Public Enterprises, CGO Complex, New Delhi.
6. Company Secretary, PGCIL.
7. The Registrar of Company Affairs, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi

Copy to:
PS to MOSP (IC) for Power & NRE/ PPS to Secretary (P)/ PPS to AS(SNS)/All JSs/ EA/CE(GP)/Director (PG)/ Director (Finance)/ Dir(Coord.)/ US(PG)/US(Trans)/ US(Admn I & II), M/o Power
ORDER

In exercise of the powers conferred under the Article 31 of the Articles of Association of the PGCIL Limited, the President is pleased to appoint Shri M. N. Venkatesan as Non-Official Independent Director on the Board of PGCIL for a period of three years with effect from the date of notification of their appointment, or until further orders, whichever is earlier.

2. The appointment of Shri M. N. Venkatesan as Non-Official Independent Director shall be at the pleasure of the President and subject to such terms and conditions as may be deemed fit by the President of India from time to time, in accordance with the Articles of Association of PGCIL.

3. The payment of TA/DA and sitting fees to the above mentioned official as Non-Official Independent Director for attending meeting of the Board of PGCIL shall be in accordance with the instructions on the subject issued by the Department of Public Enterprises from time to time.

(P. B. S. Dinker)
Under Secretary to the Government of India
Telefax: 23752495

To

1. Shri M. N. Venkatesan, 17/2B, Vyasarpadi Gangadaran Street, Nungambakkam, Chennai-600034
2. CMD, PGCIL
3. All Directors on the Board of PGCIL
4. Office of Establishment Officer, Department of Personnel and Training, North Block, New Delhi (w.r.t. letter No 22/7/2019-EO(ACC) dated 8.07.2019)
5. Joint Secretary, Department of Public Enterprises, CGO Complex, New Delhi.
6. Company Secretary, PGCIL
7. The Registrar of Company Affairs, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi

Copy to:
PS to MOSP (IC) for Power & NRE/ PPS to Secretary (P)/ PPS to AS(SNS)/ PPS to AS(SKGR)/PPS to AS&FA /All JSs/ EA/CE(GP)/Director (PG)/ Director (Finance)/ Dir(PG)/ DS(Coord.)/ US(PG)/US(Admn I & II), M/o Power
Resolution approved by the Board of Directors of POWERGRID by way of Circulation on 23.8.2018.

Subject: Approval for appointment of Shri Rajeev Kumar Chauhan, Director (Projects), POWERGRID as an Additional Director of the Company – approved by way of circulation.

The Board of Directors has approved the subject proposal by way of circulation and passed the following resolution:

"RESOLVED THAT pursuant to the provisions of Article 31A of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013 ("the Act"), Shri Rajeev Kumar Chauhan (DIN 02018931), be and is hereby appointed as an Additional Director w.e.f. 23.08.2018."

RESOLVED FURTHER THAT Company Secretary be and is hereby authorised to sign & file requisite forms under MCA-21 with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all other acts, deeds and things required in this regard."

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[Signature]

DIVYENDRA TANDORI
GM - Company Secretary
POWERGRID
Resolution approved by the Board of Directors of POWERGRID by way of Circulation on 18.9.2018.

Approval for appointment of Shri Rajeev Kumar Chauhan, Director(Projects), POWERGRID as an Additional Director of the Company – approved by way of circulation.

The Board of Directors has approved the subject proposal by way of circulation and passed the following resolution:

"RESOLVED THAT pursuant to the provisions of Article 31A of the Articles of Association of the Company and Section 161(1) of the Companies Act, 2013 ("the Act"), Shri Rajeev Kumar Chauhan, Director (Projects), POWERGRID (DIN 02018931), be and is hereby appointed as an Additional Director w.e.f. 18.9.2018."

RESOLVED FURTHER THAT Company Secretary be and is hereby authorised to sign & file requisite forms under MCA-21 with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all other acts, deeds and things required in this regard."

xxxxx

DIVYA TANDON
GM - Company Secretary
POWERGRID
Powers Grid Corporation of India Limited

Certified true copy of the Resolution approved by the Board of Directors of POWERGRID by way of Circulation on 22.11.2018.

Re-appointment of Shri Jagdish Ishwarbhai Patel, as an Additional Director – Independent Director of the Company – approved by way of circulation.

(i) "Resolved that pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 31A of the Articles of Association of the Company, Shri Jagdish Ishwarbhai Patel (DIN 02291361), be and is hereby appointed as an Additional Director - Independent Director of the Company with effect from 17th November, 2018 for a period of one year i.e. up to 16th November, 2019 or until further orders, whichever is earlier, in terms of MoP Order dated 22.11.2018."

(ii) "Resolved further that Company Secretary be and is hereby authorised to sign & file the requisite forms with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all other acts, things and deeds as may be required in this regard."

*****

[Signature]
Chief General Manager & Company Secretary
POWERGRID
POWER GRID CORPORATION OF INDIA LIMITED

Certified true copy of the Resolution approved by the Board of Directors of POWERGRID by way of Circulation on 11.07.2019

Approval for appointment of Shri M. N. Venkatesan, Non-official Independent Director, POWERGRID as an Additional Director of the Company – approved by way of circulation.

(iii) "Resolved that pursuant to the provisions of Section 161 of the Companies Act, 2013 and Article 31A of the Articles of Association of the Company, Shri M. N. Venkatesan (DIN 02126022), be and is hereby appointed as an Additional Director (Non-official Independent Director) of the Company with effect from 11th July, 2019 for a period of three years i.e. up to 10th July, 2022 or until further orders, whichever is earlier in terms of MoP Order dated 11.07.2019."

(iv) "Resolved further that Company Secretary be and is hereby authorised to sign & file the requisite forms with the Registrar of Companies, NCT of Delhi and Haryana, New Delhi and to do all other acts, things and deeds as may be required in this regard."

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DIVYA TANDON
Chief General Manager &
Company Secretary
POWERGRID
NOTICE

To
The Board of Directors
Power Grid Corporation of India Limited
B-9, Qutab Institutional Area, Katwaria Sarai,
New Delhi-110016

Date: 19.07.2019

Sub: Notice under Section 160 of the Companies Act, 2013.

I, Divya Goyal holder of _1 Equity shares of Rs. 10 each in the company do hereby give Notice under Section 160 of the Companies Act, 2013, signifying my intention to propose candidature Shri Rajeev Kumar Chauhan, for the office of Director (Projects) of Power Grid Corporation of India Limited in the ensuing Annual General Meeting of the Company or any adjournment thereof.

I also remit herewith an amount of Rs. 1 lakh (Rupees one lakh only) being the security deposit alongwith this Notice as per provisions under Section 160 of the Companies Act, 2013. Kindly acknowledge the receipt.

Thanking You,

Yours sincerely,

[Signature]

Divya Goyal
Member
DPID: 1N302902
Client ID: 47494048
(b) & (b) Deposited ICICI Bank Cheque no. 000131 dated 19.07.2019) Credited to POWERGRID account on 2nd August, 2019 (M3198065) and the same amount Transferred back on 11th September, 2019 UTR no. SBIN119254933924.
The Board of Directors,
Power Grid Corporation of India Limited
"Saudamini", Plot No. 2,
Sector-29, Gurgaon
Haryana 122001

Date: 27.03.2019

Subject: Declaration of Independence pursuant to Section 149(7) of Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015.

Dear Sir(s) / Madam(s),

I, J. J. Patel, being an Independent Director on the Board of the Power Grid Corporation of India Limited hereby confirm that, I meet the requirements specified under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for holding the position of ‘Independent Director’ and I am not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact my ability to discharge my duties with an objective independent judgment and without any external influence.

Thanking you,

Yours faithfully,

DIN: 02291361
Date: 02.08.2019

The Board of Directors,
Power Grid Corporation of India Limited
"Saudamini", Plot No. 2,
Sector-29, Gurgaon
Haryana 122001

Subject: Declaration of Independence pursuant to Section 149(7) of Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (LODR) Regulations, 2015.

Dear Sir(s) / Madam(s),

I, M. N. Venkatesan being an Independent Director on the Board of the Power Grid Corporation of India Limited hereby confirm that, I meet the requirements specified under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for holding the position of 'Independent Director' and I am not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact my ability to discharge my duties with an objective independent judgment and without any external influence.

Thanking you,

Yours faithfully,

(M.N. VENKATESAN)
DIN: 02126022
POWER GRID CORPORATION OF INDIA LIMITED

Extracts from the minutes of 367th meeting of POWERGRID Board of Directors held on Wednesday, the 3rd July, 2019 at 11.30 a.m. at POWERGRID Office, Room No. 211, The Ashok, Chanakyapuri, New Delhi-110021.

Item No. 367.2.10.: (Para No. 367.2.10.1.)

Draft Notice of 39th Annual General Meeting of POWERGRID:

367.2.10.1. The Board considered the proposal regarding draft Notice of 39th Annual General Meeting of POWERGRID and approved the same. The Board passed the following resolution:

"Resolved that proposal to convene the 39th Annual General Meeting (AGM) of POWERGRID on Tuesday, the 27th August, 2019 at 11.00 a.m. at Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi-110010 be and is hereby approved."

"Resolved further that draft notice of 39th Annual General Meeting (AGM) be and is hereby approved. CMD, POWERGRID be and is hereby authorized to make any changes in the Notice of 39th AGM including the date, time, venue and date of opening and closing of "Register of Members and Share Transfer Book" u/s Section 91 for purpose of payment of Final Dividend, as may be deemed necessary."

"Resolved further that the Company Secretary be and is hereby authorized to sign and send the Notice of the 39th AGM to the Members of the Company including through electronic mode to those Members whose Email IDs are registered with Company / Depository Participant(s)."

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POWER GRID CORPORATION OF INDIA LIMITED

Extracts from the minutes of 367th meeting of POWERGRID Board of Directors held on Wednesday, the 3rd July, 2019 at 11.30 a.m. at POWERGRID Office, Room No. 211, The Ashok, Chanakyapuri, New Delhi-110021.

Item No. 367.2.10.: (Para No. 367.2.10.1.)

**Draft Notice of 30th Annual General Meeting of POWERGRID:**

367.2.10.1. The Board considered the proposal regarding draft Notice of 30th Annual General Meeting of POWERGRID and approved the same. The Board passed the following resolution:

"Resolved that proposal to convene the 30th Annual General Meeting (AGM) of POWERGRID on Tuesday, the 27th August, 2019 at 11.00 a.m. at Manekshaw Centre*, Parade Road, Delhi Cantonment, New Delhi-110010be and is hereby approved."

"Resolved further that draft notice of 30th Annual General Meeting (AGM) be and is hereby approved. CMD, POWERGRID be and is hereby authorized to make any changes in the Notice of 30th AGM including the date, time, venue and date of opening and closing of "Register of Members and Share Transfer Book" u/s Section 91 for purpose of payment of Final Dividend, as may be deemed necessary."

"Resolved further that the Company Secretary be and is hereby authorized to sign and send the Notice of the 30th AGM to the Members of the Company including through electronic mode to those Members whose Email IDs are registered with Company / Depository Participant(s)."

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resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.

(2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.

(3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.

**Option to adopt principle of proportional representation for appointment of directors.**

Notwithstanding anything contained in this Act, the articles of a company may provide for the appointment of not less than two-thirds of the total number of the directors of a company in accordance with the principle of proportional representation, whether by the single transferable vote or by a system of cumulative voting or otherwise and such appointments may be made once in every three years and casual vacancies of such directors shall be filled as provided in sub-section (4) of section 161.

**Disqualifications for appointment of director**

(1) A person shall not be eligible for appointment as a director of a company, if—

(a) he is of unsound mind and stands so declared by a competent court;

(b) he is an undischarged insolvent;

(c) he has applied to be adjudicated as an insolvent and his application is pending;

(Consd. from page 1.367)

In case of private companies section 162 shall not apply - Notification No. GSR 464(E), dated 5-6-2015

In case of an unlisted public company which is licensed to operate by RBI or SEBI or IRDA from the International Financial Services Centre located in an approved multi services SEZ set-up under the SEZ Act, section 162 shall not apply.—Notification No. GSR 8(E), dated 4-1-2017.

87. Corresponds to section 265 of the 1956 Act.

69. Enforced with effect from 12-9-2013.

66. In case of Government Companies, section 163 shall not apply to—

(a) a Government Company in which the entire paid up share capital is held by the Central Government, or by any State Government or Governments or by the Central Government and one or more State Governments;

(b) a subsidiary of a Government company, referred to in (a) above, in which the entire paid up share capital is held by that Government company - Notification No. GSR 463(E), dated 5-6-2015.

70. Corresponds to sections 202, 274 and 283(2) of the 1956 Act.

71. For relevant Case Laws, see Taxmann’s Master Guide to Companies Act.

72. Enforced with effect from 1-4-2014.
(d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

(e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;

(f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;

(g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

(h) he has not complied with sub-section (3) of section 152.

(2) No person who is or has been a director of a company which—

(a) has not filed financial statements or annual returns for any continuous period of three financial years; or

(b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more,

shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so:

Provided that where a person is appointed as a director of a company which is in default of clause (a) or clause (b), he shall not incur the disqualification for a period of six months from the date of his appointment.

73. Rule 2(1)(d) of the Companies (Specification of Definitions Details) Rules, 2014 provides that 'or otherwise' means any offence in respect of which he has been convicted by a Court under this Act or the Companies Act, 1956.

74. In case of Government Companies, section 164(2) shall not apply: Notification No. GSR 403(E), dated 5-8-2015.

75. See Circular No. 41/2014, dated 15-10-2014 [Company Law Settlement Scheme, 2014, applicability to balance sheets and annual returns on or after 1-4-2014 but prior to launch of CLSS-2014]. For details, see Division Three.

76. See rule 14 and Form Nos. DIR 8 to 10 of the Companies (Appointment and Qualification of Directors) Rules, 2014. See also Condonation of Delay Scheme, 2018.

76a. Inserted by the Companies (Amendment) Act, 2017, w.e.f. 7-5-2018.
(3) A private company may by its articles provide for any disqualifications for appointment as a director in addition to those specified in sub-sections (1) and (2):

Provided that the disqualifications referred to in clauses (d), (e) and (g) of sub-section (1) shall continue to apply even if the appeal or petition has been filed against the order of conviction or disqualification.

RELEVANT RULE: RULE 14 OF THE COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) RULES, 2014 AND CONDONATION OF DELAY SCHEME, 2018

Disqualification of directors sub-section (2) of section 164

Rule 14. (1) Every director shall inform the company concerned about his disqualification under sub-section (2) of section 164, if any, in Form DIR-8 before he is appointed or re-appointed.

(2) Whenever a company fails to file the financial statements or annual returns, or fails to repay any deposit, interest, dividend, or fails to redeem its debentures, as specified in sub-section (2) of section 164, the company shall immediately file Form DIR-9, to the Registrar furnishing therein the names and addresses of all the directors of the company during the relevant financial years.

(3) When a company fails to file the Form DIR-9 within a period of thirty days of the failure that would attract the disqualification under sub-section (2) of section 164, officers of the company specified in clause (60) of section 2 of the Act shall be the officers in default.

(4) Upon receipt of the Form DIR-9 under sub-rule (2), the Registrar shall immediately register the document and place it in the document file for public inspection.

(5) Any application for removal of disqualification of directors shall be made in Form DIR-10.

CONDONATION OF DELAY SCHEME, 2018

Whereas, companies registered under the Companies Act, 2013 (or its predecessor Act) are inter alia required to file their Annual Financial Statements and Annual Returns with the Registrar of Companies and non-filing of such reports is an offence under the said Act.

Whereas, section 164(2) of the Act read with section 167 of the Companies Act, 2013 (the Act) which provisions were commenced with effect from 1-4-2014, provide for disqualification of a director on account of default by a company in filing an annual return or a financial statement for a continuous period of three years.

Whereas, rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 further prescribes that every director shall inform to the company concerned about his disqualification, if any, under section 164(2), in Form DIR-8.

77. For meaning of the term “disqualification”, see Appendix II.
77a. Substituted by the Companies (Amendment) Act, 2017, w.e.f. 7-5-2018. Prior to its substitution, proviso read as under:

Provided that the disqualifications referred to in clauses (d), (e) and (g) of sub-section (1) shall not take effect—

(i) for thirty days from the date of conviction or order of disqualification;

(ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed of; or

(iii) where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed of.*
S. 152

COMPANIES ACT, 2013

1.356

(5) The appointment of small shareholders' director shall be subject to the provisions of section 152 except that—

(a) such director shall not be liable to retire by rotation;

(b) such director's tenure as small shareholders' director shall not exceed a period of three consecutive years; and

(c) on the expiry of the tenure, such director shall not be eligible for re-appointment.

(6) A person shall not be appointed as small shareholders' director of a company, if the person is not eligible for appointment in terms of section 164.

(7) A person appointed as small shareholders' director shall vacate the office if—

(a) the director incurs any of the disqualifications specified in section 164;

(b) the office of the director becomes vacant in pursuance of section 167;

(c) the director ceases to meet the criteria of independence as provided in sub-section (6) of section 149.

(8) No person shall hold the position of small shareholders' director in more than two companies at the same time:

Provided that the second company in which he has been appointed shall not be in a business which is competing or is in conflict with the business of the first company.

(9) A small shareholders' director shall not, for a period of three years from the date on which he ceases to hold office as a small shareholders' director in a company, be appointed in or be associated with such company in any other capacity, either directly or indirectly.

**Appointment of directors.**

152. (1) Where no provision is made in the articles of a company for the appointment of the first director, the subscribers to the memorandum who are individuals shall be deemed to be the first directors of the company until the directors are duly appointed and in case of a One Person Company an individual being member shall be deemed to be its first director until the director or directors are duly appointed by the member in accordance with the provisions of this section.

(2) Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting.

(3) No person shall be appointed as a director of a company unless he has been allotted the Director Identification Number under section 154[ or any other number as may be prescribed under section 153].

(4) Every person proposed to be appointed as a director by the company in general meeting or otherwise, shall furnish his Director Identification Number[ or such other number as may be prescribed under section 153] and a declaration that he is not disqualified to become a director under this Act.


27. For relevant Case Laws, see Taxmann's Master Guide to Companies Act. See also SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

28. Enforced with effect from 1-4-2014.

28a. Inserted by the Companies (Amendment) Act, 2017, w.e.f. 9-2-2018.
(5) A person appointed as a director shall not act as a director unless he gives his consent to hold the office as director and such consent has been filed with the Registrar within thirty days of his appointment in such manner as may be prescribed.

Provided that in the case of appointment of an independent director in the general meeting, an explanatory statement for such appointment, annexed to the notice for the general meeting, shall include a statement that in the opinion of the Board, he fulfills the conditions specified in this Act for such an appointment.

(6) (a) Unless the articles provide for the retirement of all directors at every annual general meeting, not less than two-thirds of the total number of directors of a public company shall—

(i) be persons whose period of office is liable to determination by retirement of directors by rotation; and

(ii) save as otherwise expressly provided in this Act, be appointed by the company in general meeting.

(b) The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the articles of the company, also be appointed by the company in general meeting.

(c) At the first annual general meeting of a public company held next after the date of the general meeting at which the first directors are appointed in accordance with clauses (a) and (b) and at every subsequent annual general meeting, one-third of such of the directors for the time being as are liable to
(ii) the retiring director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so reappointed;

(iii) he is not qualified or disqualified for appointment;

(iv) a resolution, whether, Special or Ordinary, is required for his appointment by virtue of any provisions of the Act;

(v) Section 162 of the Act is applicable to the case.

(vi) A Director representing a Ministry of the Government of India shall retire on his ceasing to be an official of that Ministry.

(vii) The President may from time to time remove any part-time Director, from office at his absolute discretion. Chairman and whole-time Directors may be removed from office in accordance with the terms of appointment or if no such terms are specified, on the expiry of 3 months’ notice issued in writing by the President or with immediate effect on payment of the pay in lieu of the notice period.

(viii) The President shall have the right to fill any vacancy in the office of the Directors caused by removal, resignation, death or otherwise.

<table>
<thead>
<tr>
<th>Additional Directors(^{60})</th>
<th>31A</th>
<th>Subject to the provisions of Section 161(1), the Board shall have power, at any time and from time to time to appoint a person/s appointed / recommended for appointment by the President of India as an additional director/s on the Board, but such that the total number of directors shall not at any time exceed the maximum number fixed by the articles. Any director so appointed shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for re-appointment.</th>
</tr>
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<tbody>
<tr>
<td>Alternate Director(^{61})</td>
<td>32</td>
<td>In place of a Director who is out of India or is about to go out of India or who expects to be absent for not less than three months from the State in which meetings of the Directors are ordinarily held, the President may appoint, in consultation with the Chairman of the Company any person to be an Alternate Director during his absence out of India or his absence of not less than three months from the State in which the meetings of the Board are ordinarily held</td>
</tr>
</tbody>
</table>

\(^{60}\) Inserted vide Special Resolution dated 25th April, 2013 passed through Postal Ballot and amended vide Special Resolution passed at the Annual General Meeting held on 19th September, 2017.

\(^{61}\) Title amended vide Special Resolution passed at the Extra Ordinary General Meeting held on 28th March, 2007.